



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0150032
#4163
K

October 22, 2012

David Hibbs, Resident Agent
Genwal Resources, Inc
P.O. Box 910
East Carbon, Utah 84520-0910

Subject: Construction of Burma Evaporation Basin, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032, Task ID #4163

Dear Mr. Hibbs:

The Division of Oil, Gas and Mining (the Division) has reviewed your plans to construct an evaporation basin that will be utilized in the disposal of the generated iron sludge material at the Crandall Canyon mine-water treatment facility. Conditional approval of the revision is hereby granted.

Final approval will be issued when the following conditions have been met:

- 1) Correct the following minor typos:
 - a. Change page 1 of Appendix 7-66, "Attachment 2.....Removed from Appendix 7-66" to "Attachment 2.....Pond Liner Information"
 - b. Change page 11 of Appendix 7-66, "Attachment #2 of Appendix 7-65" to "Attachment #2 of Appendix 7-66"
- 2) Receipt of two complete, clean copies prepared for incorporation. The copies should be submitted no later than November 9, 2012 in anticipation that the pad will be built and utilized before the end of the year.

Once the aforementioned conditions have been met, a revised permit will be issued and construction may then proceed. A stamped incorporated copy of the revision will be sent to you for inclusion in your copy of the approved Mining and Reclamation Plan (MRP).



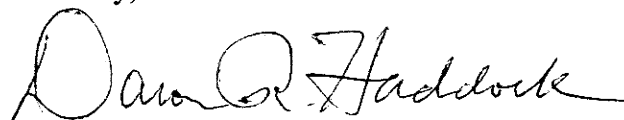
Page 2
David Hibbs
October 22, 2012

We remind you that in order to dispose of the iron sludge UEI will need to obtain a land fill permit from the Department of Environmental Quality Division of Solid & Hazardous Waste.

Upon consultation with the DEQ, it's the Division's understanding that the permit-by-rule process may be utilized in obtaining the requisite landfill permit. The Division is committed to cooperating with you and the DEQ in expediting that process. In the mean time this requirement may become a stipulation to your permit.

If you have any questions regarding your project, please call me at (801)538-5325 of Steve Christensen at (801)538-5350.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being more prominent than the last name "Haddock".

Daron R. Haddock
Coal Program Manager

DRH/SKC/ss
cc: Price Field Office
O:\015032.CRA\WG4163\CondApproval.doc